

**SOUTHWESTERN MICHIGAN
COMMUNITY AMBULANCE SERVICE**

NILES, MICHIGAN

FINANCIAL STATEMENTS

Year ended June 30, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Southwestern MI Community Ambulance Srv	County BERRIEN
Fiscal Year End JUNE 30, 2006	Opinion Date AUGUST 4, 2006	Date Audit Report Submitted to State SEPTEMBER 15, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

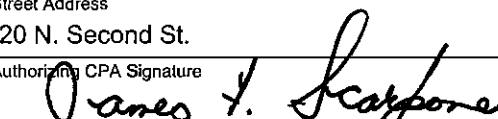
YES ☒ NO ☐

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	Verbal communication of comments deemed appropriate	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Scarpone & Co., P.C.		Telephone Number 269-684-5100	
Street Address 20 N. Second St.		City Niles	State Mi
		Zip 49120	
Authorizing CPA Signature 		Printed Name James F. Scarpone	
		License Number 11507	

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NILES, MICHIGAN

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FINANCIAL STATEMENTS

Year ended June 30, 2006

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SCARPONE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

August 4, 2006

**Members of the Board of Trustees
Southwestern Michigan Community Ambulance Service
Niles, Michigan 49120**

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of Southwestern Michigan Community Ambulance Service as of and for the year ended June 30, 2006, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of Southwestern Michigan Community Ambulance Service. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Michigan Community Ambulance Service as of June 30, 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the required supplemental information identified in the table of contents are not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of other supplemental information, as listed in the foregoing table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Southwestern Michigan Community Ambulance Service. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Scarfone & Co., P.C.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2006

Southwestern Michigan Community Ambulance Service ("SMCAS"), a State of Michigan Licensed Advanced Life Support Ambulance Agency, presents its financial statements according to the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the SMCAS Management's discussion and analysis of the financial results for the year ended June 30, 2006.

SMCAS is a municipally owned and operated advanced life support service. SMCAS is owned by the Townships of Bertrand, Buchanan, Niles and Howard, and by the Cities of Buchanan and Niles. These municipalities have jointly formed a special assessment district. Each year, the boards of these municipalities meet to establish the special assessment to be levied for the upcoming year. In addition, a renewal ballot question is brought before the voters every four years. For the fiscal year ending June 30, 2006, the assessment rate was \$13.00 per dwelling, and the contract rate was \$20.00 per dwelling. In August, 2000, and again in August, 2004, the voters approved a ballot request that allows the municipalities to assess up to \$20.00 per dwelling.

The SMCAS service area is approximately 190 square miles and includes the aforementioned municipalities. In addition, SMCAS services a portion of Pokagon Township on a contract rate that is twice the yearly assessment rate capped at a rate of \$20.00 per dwelling. SMCAS also served the Township of Milton on a contract basis until April 1, 2006 when the Township of Milton cancelled their contract for ambulance service.

SMCAS currently owns five advanced life support ambulances and a paramedic first responder vehicle. Two transport ambulances are fully staffed twenty-four hours a day, a third transport ambulance is fully staffed twelve hours a day, and the first responder vehicle is staffed by management during normal business hours and on an as needed basis. In July, 2005, SMCAS increased the staffing level to include four medical personnel to staff the twelve hour car. This increase in medical staffing level represents the first scheduled crewmember staffing increase since SMCAS went to the Advanced Life Support level in 1986. In March, 2006, SMCAS reinstituted the wheelchair van program to better serve the citizens of the service area. Wheelchair van runs for the period March 1, 2006 thru June 30, 2006 totaled 218.

Emergency calls for service for the years ended June 30, 2006 and 2005 were 3,661 and 3,624, respectively. The approximately 1.0 percent increase in emergency run volume is reflective of the loss of the Milton Township coverage area that provided approximately 10 emergency calls per month. Ambulance transfers for the years ended June 30, 2006 and 2005 were 715 and 718, respectively.

In 2005, SMCAS took the initiative to train six employees to the Instructor Coordinator level. In 2005 and 2006, these six individuals, along with the Niles City Fire Department, instituted an educational program to train the entire Niles City Fire Department to the Medical First Responder level. In the Spring of 2006, SMCAS also trained eleven Emergency Medical Technicians to the Specialist level. Six of the eleven individuals are current SMCAS staff members. In 2005 and 2006, SMCAS also provided training to advance ten of the eleven full-time paramedics to the Critical Care level.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONCLUDED

Year ended June 30, 2006

The total investment in capital assets at June 30, 2006 was \$1,449,748. There were no outstanding long-term debt obligations with respect to these assets at June 30, 2006.

SMCAS prepares an annual budget that is approved by the Board of Trustees. The budget may be amended at various times throughout the year pending board approval.

Change from Original to Final Budget

Total Net Operating Revenues, Original Budget	\$ 1,539,600	100.0
Total Net Operating Revenues, Final Budget	<u>1,775,070</u>	<u>115.3</u>
Increase in Budgeted Revenues	\$ <u>235,470</u>	<u>15.3</u>
Total Operating Expenditures, Original Budget	\$ 1,484,550	100.0
Total Operating Expenditures, Final Budget	<u>1,720,100</u>	<u>115.9</u>
Increase in Budgeted Expenditures	\$ <u>235,550</u>	<u>15.9</u>

Results from Operations

The actual net revenues for the year ended June 30, 2006 were lower than the final budget by \$44,019, a variance of 2.4 percent from the final budget. The largest variances were for charges for services, and related adjustments to revenues for medicare, medicaid, and uncollectible accounts.

The actual expenditures for the year ended June 30, 2006 were more than the final budget by \$35,064, a variance of 2.0 percent from the final budget. The variance was due primarily to under budgeted depreciation expense of approximately \$39,000.

Contacting the Financial Management of SMCAS

These financial statements are designed to provide a general overview of the finances of Southwestern Michigan Community Ambulance Service as of and for the year ended June 30, 2006. If you have any questions about this report or need additional information contact the Executive Director of Southwestern Michigan Community Ambulance Service.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

STATEMENT OF NET ASSETS

June 30, 2006

ASSETS

Current Assets:

Cash and cash equivalents	\$ 210,841
Investments	597,660
Patient accounts receivable, net of allowance for uncollectible accounts of \$180,000	444,793
Other accounts receivable	4,050
Intergovernmental receivables	21,294
Prepaid expenses	27,109

Total current assets 1,305,747

Capital assets	2,333,148
Less, accumulated depreciation	883,430
	<u>1,449,718</u>

TOTAL ASSETS \$ 2,755,465

LIABILITIES

Current Liabilities:

Accounts payable	\$ 21,055
Accrued payroll and vacation pay	60,442
Payroll withholdings	293
Deferred revenues	20,417

Total current liabilities 102,207

NET ASSETS

Investment in capital assets	1,449,718
Restricted for capital projects	490,529
Unrestricted	713,011

TOTAL NET ASSETS 2,653,258

TOTAL LIABILITIES AND NET ASSETS \$ 2,755,465

See accompanying notes to basic financial statements.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year ended June 30, 2006

	<u>Amount</u>	<u>Percent to Net Revenues</u>
OPERATING REVENUES:		
Charges for services	\$ 2,307,569	133.3
Membership fees	43,478	2.5
Recovery on accounts previously written off	12,627	0.7
Special assessment tax revenue	253,879	14.6
Municipal contract revenues	19,000	1.1
Grant proceeds	14,545	0.8
Other revenues	30,102	1.8
	<u>2,681,200</u>	<u>154.8</u>
ADJUSTMENTS TO REVENUES:		
Medicare	442,081	25.5
Medicaid	249,733	14.4
Blue Cross/Blue Shield	35,416	2.0
Uncollectible accounts	172,459	9.9
Membership adjustments	9,396	0.6
Other adjustments	41,064	2.4
	<u>950,149</u>	<u>54.8</u>
NET OPERATING REVENUES	<u>1,731,051</u>	<u>100.0</u>
OPERATING EXPENSES:	<u>1,755,164</u>	<u>101.4</u>
LOSS FROM OPERATIONS	<u>(24,113)</u>	<u>(1.4)</u>
NON-OPERATING REVENUE (EXPENSE):		
Loss on disposition of capital assets	(1,502)	(0.1)
Interest income	34,743	2.0
NET NON-OPERATING REVENUE	<u>33,241</u>	<u>1.9</u>
CHANGE IN NET ASSETS	<u>9,128</u>	<u>0.5</u>
Net assets, beginning of year	<u>2,644,130</u>	
NET ASSETS, END OF YEAR	<u>\$ 2,653,258</u>	

See accompanying notes to basic financial statements.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

STATEMENT OF CASH FLOWS

Year ended June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received for services	\$ 1,254,105
Cash payments for goods and services	(629,723)
Cash payments for employee payroll	(926,393)
Receipt of membership fees	41,275
Receipt of special assessment taxes	246,555
Receipt of contractual fees	19,000
Receipt of accounts previously written off	12,627
Receipt of grant proceeds	14,545
Receipt of other revenues	18,029
	<u>50,020</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from disposition of capital assets	10,000
Payment for capital assets	(325,708)
	<u>(315,708)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Receipt of interest income	15,440
Proceeds from investment maturity	609,000
Purchase of investment	(586,883)
	<u>37,557</u>

DECREASE IN CASH AND CASH EQUIVALENTS (228,131)

Cash and cash equivalents, beginning of year 438,972

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 210,841

RECONCILIATION OF LOSS FROM OPERATIONS TO CASH FLOWS FROM OPERATING ACTIVITIES:

Loss from operations	\$ (24,113)
Adjustments to reconcile:	
Depreciation	208,817
Increase in allowance for uncollectible accounts	30,000
Changes in assets and liabilities:	
Increase in accounts receivable	(137,063)
Increase in intergovernmental receivable	(7,324)
Increase in prepaid expenses	(4,109)
Increase in accounts payable	4,019
Decrease in accrued payroll and vacation pay	(18,028)
Increase in payroll withholdings	24
Decrease in deferred revenues	<u>(2,203)</u>

CASH FLOWS FROM OPERATING ACTIVITIES \$ 50,020

See accompanying notes to basic financial statements.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NOTES TO FINANCIAL STATEMENTS

Year ended June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Southwestern Michigan Community Ambulance Service (SMCAS) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by SMCAS are described below:

Reporting Entity

Southwestern Michigan Community Ambulance Service was formed as a corporation in 1975 under the provisions of Michigan Public Acts pertaining to intergovernmental contracts between municipal corporations, for the purpose of providing ambulance services. The municipalities included in the corporation are the City of Niles, the City of Buchanan, Niles Township, Buchanan Township, Bertrand Township and Howard Township.

Basis of Accounting and Financial Statement Presentation

The term "basis of accounting" is used to determine when a transaction or event is recognized on the statement of revenues and expenses, and changes in net assets. SMCAS uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are incurred, even though actual payment or receipt may not occur until after the period ends.

SMCAS has adopted the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." Statement 34 established standards for external financial reporting for all state and local governmental entities and includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components: investment in capital assets, net of any related debt; restricted; and unrestricted. These classifications are defined as follows:

Investment in capital assets, net of any related debt - This component of net assets consists of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances, if any, of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

Restricted - This component of net assets consists of constraints placed on net asset use by management for specified uses such as capital projects, or through external constraints imposed through creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net assets consists of net assets that do not meet the definition of "investment in capital assets, net of related debt" or "restricted."

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are combined on the statement of net assets. Cash deposits consist of an interest bearing checking account with a financial institution and is carried at cost. Cash equivalents consist solely of a money market account and is carried at fair market value. For purposes of the statement of cash flows, all cash deposits and highly liquid investments with an original maturity of three months or less when acquired are considered to be cash equivalents.

Intergovernmental Receivables

Intergovernmental receivables consist of tax assessments levied upon properties within the Organization's service area.

Prepaid Expenses

Payments to vendors that will benefit periods beyond the end of the current fiscal year are recorded as "prepaid expenses."

Revenues and Expenses

Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues result from providing ambulance services to the public.

Operating expenses include all costs associated with providing ambulance services, including administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:

Taxes

SMCAS is exempt from all federal and state income taxes.

Deferred Revenues

Deferred revenues at June 30, 2006 represent the portion of calendar 2006 annual membership fees that are attributable to the six month period subsequent to June 30, 2006.

Capital Assets

Capital assets are defined by SMCAS as assets with an estimated useful life in excess of one year.

Capital assets of SMCAS are recorded at cost. Donated assets are valued at their estimated fair market value on the date donated. Depreciation of capital assets is charged as an operating expense. Depreciation is computed using straight-line methods over their estimated useful lives as follows:

	<u>Years</u>
Buildings and improvements	7 - 30
Equipment	3 - 7
Vehicles	3 - 5

Major additions and betterments are capitalized, while expenditures for maintenance and repairs that do not add value to the asset or materially extend asset lives are charged to operations as incurred.

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consisted of the following at June 30, 2006:

Petty cash	\$	50
Deposits in financial institutions		<u>210,791</u>
	\$	<u>210,841</u>

The above deposits in financial institutions of \$210,791 at June 30, 2006 were reflected in the accounts of the Organization's financial institutions (without recognition of checks written but not cleared, or of deposits in transit) at \$277,268. Of this amount, approximately \$180,476 was covered by federal depository insurance, and \$96,792 was uninsured and uncollateralized.

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2006

NOTE C - INVESTMENTS:

Investments at June 30, 2006 consisted of a \$600,000 of United States Treasury Bill which is reported at the fair market value of \$597,660, with maturity at August 3, 2006.

NOTE D - CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash investments with financial institutions and accounts receivable. The Organization attempts to limit the amount of credit exposure to any one financial institution with respect to cash and cash investments (see Note B). Concentrations of credit risk with respect to accounts receivable are limited due to the nature of the Organization's business. Accordingly, management of SMCAS believes it has no significant concentrations of credit risk as of June 30, 2006.

NOTE E - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2006 is as follows:

	Balance June 30, <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2006</u>
Assets not being depreciated:				
Land	\$ 8,195	\$ -	\$ -	\$ 8,195
Capital assets being depreciated:				
Buildings and improvements	1,219,167	18,400	9,395	1,228,172
Medical equipment	184,343	100,931	32,323	252,951
Vehicles	481,191	198,976	-	680,167
Office and other equipment	172,694	7,401	16,433	163,662
	<u>2,057,395</u>	<u>325,708</u>	<u>58,151</u>	<u>2,324,952</u>
Accumulated depreciation:				
Buildings and improvements	262,066	52,069	9,395	304,740
Medical equipment	88,454	43,457	20,822	111,089
Vehicles	270,577	88,353	-	358,930
Office and other equipment	100,164	24,938	16,432	108,670
	<u>721,261</u>	<u>208,817</u>	<u>46,649</u>	<u>883,429</u>
Net capital assets being depreciated	<u>1,336,134</u>	<u>116,891</u>	<u>11,502</u>	<u>1,441,523</u>
Net capital assets	<u>\$ 1,344,329</u>	<u>\$ 116,891</u>	<u>\$ 11,502</u>	<u>\$ 1,449,718</u>

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

NOTES TO FINANCIAL STATEMENTS - CONCLUDED

Year ended June 30, 2006

NOTE F - DEFINED CONTRIBUTION PLANS:

The Organization participates in a 401(a) retirement plan covering substantially all employees. Under the plan, the Organization contributes an amount equal to 5% of an eligible employee's gross salary, excluding bonuses. In addition, the Organization matches employee contributions up to 6% of the employee's gross salary, excluding bonuses. The Organization's expense for the year ended June 30, 2006 in connection with the plan amounted to \$71,319.

NOTE G - RISK MANAGEMENT:

The Organization maintains commercial insurance to cover any unanticipated significant losses. Management of the Organization reviews its insurance coverage on a periodic basis, and makes any changes to such coverage as necessary. There have been no significant changes in insurance coverage during the year ended June 30, 2006.

REQUIRED SUPPLEMENTAL INFORMATION

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

REQUIRED SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE

Year ended June 30, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
OPERATING REVENUES:				
Charges for services	\$ 2,132,500	\$ 2,275,500	\$ 2,307,569	\$ 32,069
Membership fees	48,000	45,000	43,478	(1,522)
Recovery on accounts previously written off	18,500	13,000	12,627	(373)
Special assessment tax revenue	249,600	249,600	253,879	4,279
Municipal contract revenues	27,800	19,000	19,000	-
Grant proceeds	-	10,300	14,545	4,245
Other revenues	12,800	15,270	30,102	14,832
	<u>2,489,200</u>	<u>2,627,670</u>	<u>2,681,200</u>	<u>53,530</u>
ADJUSTMENTS TO REVENUES:				
Medicare	425,000	415,000	442,081	(27,081)
Medicaid	225,000	230,000	249,733	(19,733)
Blue Cross/Blue Shield	35,000	33,000	35,416	(2,416)
Uncollectible accounts	225,000	127,000	172,459	(45,459)
Membership adjustments	13,000	10,000	9,396	604
Other adjustments	26,600	37,600	41,064	(3,464)
	<u>949,600</u>	<u>852,600</u>	<u>950,149</u>	<u>(97,549)</u>
NET OPERATING REVENUES	1,539,600	1,775,070	1,731,051	(44,019)
OPERATING EXPENDITURES	1,484,550	1,720,100	1,755,164	(35,064)
INCOME FROM OPERATIONS	55,050	54,970	(24,113)	(79,083)
NON-OPERATING REVENUES:				
Loss on disposal of capital assets	-	-	(1,502)	(1,502)
Interest income	8,500	27,500	34,743	7,243
	<u>8,500</u>	<u>27,500</u>	<u>33,241</u>	<u>5,741</u>
CHANGE IN NET ASSETS	63,550	82,470	9,128	(73,342)
Net assets, beginning of year	2,644,130	2,644,130	2,644,130	-
NET ASSETS, END OF YEAR	\$ 2,716,180	\$ 2,726,600	\$ 2,653,258	\$ (73,342)

OTHER SUPPLEMENTAL INFORMATION

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

Year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
WAGES AND BENEFITS:			
Salaries and wages	\$ 746,600	\$ 908,000	\$ 908,365
Payroll taxes	56,500	68,500	69,721
Employee health insurance	110,000	142,000	139,265
Retirement	72,000	70,000	71,319
Disability insurance	7,000	6,500	6,387
401(a)/457 plan fees	500	1,000	1,000
Workers' compensation insurance	33,000	37,000	35,580
Education expenses	14,000	10,500	8,015
Uniforms	12,000	20,000	15,619
Employee recognition	3,000	2,000	706
Dental and medical reimbursement	6,000	10,500	9,832
	<u>1,060,600</u>	<u>1,276,000</u>	<u>1,265,809</u>
VEHICLE EXPENSES:			
Gasoline	28,000	40,000	38,135
Vehicle insurance	18,400	17,000	16,369
Other vehicle costs	22,700	33,700	38,151
	<u>69,100</u>	<u>90,700</u>	<u>92,655</u>
BUILDING EXPENSES:			
Utilities	21,500	22,300	19,425
Repair and maintenance	10,500	10,600	10,827
	<u>32,000</u>	<u>32,900</u>	<u>30,252</u>
EMS SUPPLIES:			
EMS supplies	20,000	30,000	31,957
Repair and maintenance	8,200	8,100	8,389
Oxygen	3,000	2,800	2,980
License fees	500	500	425
Cellular phones	11,000	10,500	10,766
Pager rental	500	500	512
	<u>43,200</u>	<u>52,400</u>	<u>55,029</u>

SOUTHWESTERN MICHIGAN COMMUNITY AMBULANCE SERVICE

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL - CONCLUDED

Year ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
DEPRECIATION:			
Building	\$ 50,000	\$ 52,000	\$ 52,069
Medical equipment	33,000	27,000	43,457
Vehicles	72,000	70,000	88,353
Office and other equipment	25,000	20,600	24,938
	<u>180,000</u>	<u>169,600</u>	<u>208,817</u>
ADMINISTRATIVE:			
Office supplies	3,500	5,000	4,720
Postage	5,500	5,500	5,257
Repairs and maintenance	9,000	10,550	11,264
Custodial supplies	2,500	3,500	3,383
Promotion and advertising	2,500	1,500	610
Miscellaneous	1,500	1,500	1,968
Travel	6,000	5,500	5,051
Dues and membership fees	1,500	1,000	595
Outside services	3,500	1,200	1,386
Subscriptions	750	250	159
Telephone	5,800	6,700	7,080
Document scanning	-	2,100	2,032
Legal and professional	18,000	15,900	14,292
Medical director fees	3,000	-	-
Class expenditures	-	2,000	3,057
Collection costs	15,000	7,500	8,292
Assessment refunds	500	500	250
General insurance	21,000	20,000	20,738
Grant expenditures	-	8,100	12,262
Visa fees	100	200	206
	<u>99,650</u>	<u>98,500</u>	<u>102,602</u>
TOTAL EXPENSES	\$ <u>1,484,550</u>	\$ <u>1,720,100</u>	\$ <u>1,755,164</u>